

SUBJECT:—Instructions to Depositors and Treasury Officers for making Fixed Deposits in Government Savings Banks.

COMPTROLLER'S OFFICE, BANGALORE.

Memorandum No. 109—dated 3rd February 1928.

FIXED DEPOSITS IN GOVERNMENT SAVINGS BANKS.

In G. O. No. 5520-88—G. F. 85-27-4, dated 11th January 1928, the receipt of Fixed Deposits in Government Savings Banks, for five years at five per cent interest per annum, has been sanctioned. The following detailed instructions, approved in G. O. No. Fl. 6099—G. F. 85-27-7, dated 1st February 1928, are accordingly issued for the guidance of intending Depositors and Treasury Officers:—

(1) Fixed Deposits as above will be received from any person—whether a Savings Bank Depositor or not—in all District and Taluk Treasuries which carry on Savings Bank transactions.

(2) There is no maximum or minimum limit to the amount of deposits but they should be in even hundreds of rupees. A person may make any number of deposits.

(3) For each deposit, the depositor will be given a Fixed Deposit Receipt, in a prescribed printed form, which should be carefully preserved and which should be presented at the Treasury, when interest is claimed, and which should be surrendered to the Treasury, duly acknowledged, when repayment is required.

(4) Interest will be paid at five per cent annually calculated from the date of deposit and is exempt from income-tax.

(5) Government have ordered that the amount of such deposits may be withdrawn for being invested in a long term loan which Government may float in future. For amounts so withdrawn, interest at five per cent will be allowed up to but exclusive of date of withdrawal.

(6) If repayment is desired before the expiry of five years from the date of deposit, it may be allowed, at the discretion of the Comptroller, but subject to the condition that the amount of interest payable will be the rate of interest allowed, from time to time, for full year deposits in the Savings Bank, for complete years of deposit, calculated from July to June, and $3\frac{1}{8}\%$ (three and one-eighth per cent) per annum, for complete months left over, no interest being payable for fractions of a month. Excess interest at five per cent paid for previous periods, if any, will be adjusted at the time of repayment from the amount repaid.

(7) The Fixed Deposit Receipt will be not negotiable and payment of interest and principal will ordinarily be allowed only in the Treasury in which the deposit is accepted. The Comptroller may, however, on application, order the transfer of the deposit from one Treasury to another.

(8) Depositors may register the names of nominees to whom interest and principal may be paid in case of death, in the same manner as nominations are made for Savings Bank Accounts.

SUBJECT:—Fixed Deposits in Government Savings Banks.

COMPTROLLER'S OFFICE, BANGALORE.

Circular No. 110, dated 7th February 1928.

To—All Treasury Officers.

In continuation of this Office Memorandum No. 109, dated 3rd February 1928, laying down general rules, relating to the receipt of Fixed Deposits in Government Savings Banks for five years at five per cent interest per annum, the following supplementary instructions are issued for the guidance of Treasuries:—

(1) The challan, with which money is tendered to the Treasury, should contain the name of the depositor's father also, and for purposes of identification, the specimen signature of the depositor should be taken on a slip of paper and carefully preserved in a register, in the custody of the Treasury Officer. It should be referred to, when payment of interest or principal is made.

(2) Fixed Deposit Counterfoil Receipt Books (machine numbered) will be supplied to the Treasuries by the Account Office. The receipt book should be treated as a valuable document and kept in double locks, except when taken out for use during office hours.

(3) The Fixed Deposit Receipts will be issued in serial order, duly signed by the Head Accountant, Treasurer and Treasury Officer (in the case of District Treasuries), and by the Nagadi Gumasta, Shroff and Sheristadar (in the case of Taluk Treasuries). The

depositor's full name and father's name should be clearly entered and the Treasury seal affixed in the Fixed Deposit Receipt.

(4) Deposits received should be entered in a Subsidiary Register of Receipts. As this register has to be preserved permanently, the entries will be made in a clear manner and each entry should be attested by the Treasury Officer. If it is considered desirable, the entries in the Subsidiary Register may be made in ink, instead of using a carbon paper. A copy of this register, with the challans, will be sent to the Audit Office, through the District Treasury, with the monthly accounts. Repayment of deposit and payment of annual interest will be noted in the columns provided for in this register and initialled by the Treasury Officer. At the foot of the Receipt Register and the return to the Comptroller, a certificate to the following effect will be recorded by the Treasury Officer, on the last day of the month:—

"I hereby certify that I have counted and found correct the blank forms numbering from.....to.....in the Savings Bank Fixed Deposit Receipt Book No....., that the receipts have been issued in order, and that the last number issued is....."

(5) Payment of interest will be made annually, on presentation of the Fixed Deposit Receipt, along with a voucher, and will be noted (1) in the space provided for the purpose at the back of the Fixed Deposit Receipt, (2) in the original Subsidiary Register of Receipts against the item concerned and (3) in the Subsidiary Register of Payments.

(6) Repayment of the principal will be made, on the surrender of the original receipt, duly discharged, which will be treated as the payment voucher. Such repayments will be noted in the Original Receipt Register against the item concerned and also in the Subsidiary Register of Payments. A carbon copy of this Subsidiary Register with the connected vouchers will be sent to the Audit Office through the District Treasury with the monthly accounts.

(7) The undermentioned new heads will be opened in the Treasury Accounts:—

Receipt Side.—

(1) T. Unfunded Debt.

6A. Fixed Deposits in Savings Banks. (Deposits received in Cash).

Payment Side (monthly schedule).—

(2) 18A. Interest on fixed deposits in Savings Banks. (Interest paid).

(3) T. Unfunded Debt.

6A. Fixed deposits in Savings Banks. (Principal repaid in cash.)

(8) When the depositor wishes to transfer his fixed deposit account, from one treasury to another treasury, he will apply to the Treasury, in which the account stands, enclosing the Fixed Deposit Receipt. The Treasury will note the Transfer on the Fixed Deposit Receipt in the space provided therein for the purpose and make an entry in the Subsidiary Register of payments (in the appropriate columns) and return the Fixed Deposit Receipt to the Depositor, simultaneously sending an advice of transfer and the depositor's specimen signature to the Treasury to which the account is transferred. The details of transfer (date, treasury, etc.), should also be recorded in the Original Receipt Register, against the item concerned in the appropriate columns, scoring out the unused cages of interest payments. **No entry in the accounts (account entry)** need be made for transfers made to or received from other Treasuries. After such transfer, no payment should be made in the transferring treasury.

(9) In the receiving treasury, on receipt of advice of transfer, necessary entries will be made in the Subsidiary Register of Receipts, as new items (in the appropriate columns) and an acknowledgment of the advice will be sent to the transferring treasury. The advices received from transferring treasuries should be carefully preserved in the same manner as counterfoil fixed deposit receipts. The specimen signature received with the advice will be carefully preserved in the register maintained for the purpose, for reference, when payment of interest or principal is made.

(10) Soon after the close of each official year, an annual statement, in the prescribed form, will be prepared in each treasury (Taluk and District Treasuries) and sent to the District Treasury, for transmission to the Audit Office along with a consolidated account, in the prescribed form, not later than the 1st August of the following year.

(11) As regards nominations, the procedure prescribed for ordinary Savings Bank Accounts will be followed. Nominations in respect of Fixed Deposit Accounts will be entered on separate pages of the Register of Nominees, with separate serial numbers. When a depositor's account is transferred from one treasury to another, the name of the nominee, if any, should be specified in the advice sent by the transferring treasury. In the Register of Nominees, the treasury to which the account is transferred, should be noted against the serial number concerned. In the receiving Treasury, a new entry will be made in the register maintained at that treasury.

S. SHAMANNA,
Comptroller.